(b) what is the number of Stock Exchanges operating at present in various States;

(c) whether there are some Stock Exchanges which have been given permission for operation but have not yet started functioning;

(d) if so, what are the details of such Stock Exchanges;

(e) whether Government are contemplating to de-recognise such Stock Exchanges; and

(f) what action Government have taken to ensure that all recognised and approved Stock Exchanges remain operative for investors' welfare ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Trading in shares and other securities are reported to be taking place in several places, where there are no recognised Stock Exchanges. If such trading is taking place through unauthorised Stock Exchanaes, it would be an offence under the provisions of Securities Contracts (Regulation) Act, 1956. In order to safeguard the interest of the investing public, the Securities and Exchange Board of India has issued a Press release in November, 1992 and also sent a letter to Chief Secretaries of the State Governments and Union Territories regarding prohibition of transaction in securities through organisations other than recognised Stock Exchanges.

(b) At present 21 Stock Exchanges are operating in the country.

(c) and (d) The Meerut Stock Exchange was granted recognition in November, 1991 but is yet to start functioning.

(e) There is no such proposal at present.

(f) The Securities and Exchange Board of India has already been established on a statutory basis to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market. Accordingly, SEBI has been exercising supervision over the Stock Exchanges for ensuring that they function for the benefit of the investors.

Functioning of the SEBI

3481. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FINANCE be pleased to state :

(a) what is the total number of senior staff sanctioned in the Securities and Exchange Board of India (SEBI);

(b) what is the number of posts which are lying vacant since more than one year;

(c) whether it is a fact that the IFC, Washington have recommended some high level changes in the functioning of the SEBI;

(d) if so, what are the details of recommendations made by the IFC; and

(e) what steps Government have taken to tone up the functioning of the SEBI by appointing the desired staff.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) SEBI has been restructured in December, 1992 by dividing into five operational Departments and each Department is being headed by Senior Officer of the rank of Executive Director reporting to Chairman;

(b) No vacancies are there at Senio. Level. As there has been an expansion in the scope of activities of SEBI. SEBI is recruiting staff at the operational levels and 50 (Fifty) posts at various operational levels are in the process of being filled up;

(c) Yes, Sir.

(d) A draft Report of IFC, Washington recommended that SEBI's senior management be strengthened with the addition of at least 2 new senior staff with direct market experience. The report has also recommended that in addition, staffing level and experience should be appropriate to the work load.

(e) The organisational structure as well as staffing of SEBI have been treated as an internal matter of SEBI. However, the Government have brought the report of IFC, Washington, to the notice of SEBI.

Dealers operating in SBI Overseas branches

3482. SHRI SUKOMAL SEN :
SHRI SUNIL BASU RAY :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that according to RBI guidelines the main duty of a "Dealer" is to operate in the Inter-Bank market and ensure that over familiarity of the Dealer with the customers is prohibited;

(b) if so, whether the Overseas Branches at Bombay, Madras and New Delhi have posted "Dealer" to deal in the Inter-Bank market and thereby decentralise the Dealing and Cover Operations of Foreign Department, Calcutta; and

(c) whether by allowing the "Dealers" at those Overseas Branches to quota rates to customers the State Bank Management is violating the RBI guidelines regarding over familiarity of dealers with the customers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Reserve Bank of India (RBI) have reported that as per their guidelines dealers are to operate in the interbank market according to the standards laid down by the management of banks from time to time and in the best interests of the bank. They are also to provide an effective and quick feedback to the management. The larger banks may find it advisable to deal selectively with customer enquiries regarding rates and also conclude business with them in the dealing department itself instead of in the foreign exchange department. These guidelines further provide that the dealers attending to customer business should, as far as possible, be distinct from the dealers in interbank market.

(b) and (c) State Bank of India (SBI) have reported that the dealing rooms at Bombay, New Delhi and Madras have been established solely out of commercial necessity with a view to withstand emerging competition in foreign exchange area from other banks, especially foreign banks. This has not been done with a view to decentralising foreign exchange dealings and commercial operations which continue to be centralised at the Foreign Department, Calcutta. The dealing rooms at the above centres quota rates in consultation with and guidance of the Foreign Department, Calcutta to obviate the necessity of operating offices having to contact Foreign Department, Calcutta through the normal communication channels. SBI's dealing rooms are connected to Foreign Department, Calcutta exclusive leased lines.

Shifting of SBI Centres

3483. SHRI SUKOMAL SEN :

SHRI SUNIL BASU RAY :

Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank Management is considering to close down the Dealing Centres at Bombay, Madras and New Delhi Overseas Branches and to abolish the posts of Dealers by replacing them with Care Centres and "Rate Officers";

(b) if so, what are the details thereof; and

(c) if not, what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) No, Sir.

(b) Does not arise.

(c) Dealing centres have been set up at Bombay, Madras and New Delhi by State Bank of India solely out of commercial necessity and they continue in the interest of better customer service.